

**MINUTES OF IWCC MEDICAL FEE ADVISORY BOARD
THOMPSON CENTER, 9th FLOOR, CHICAGO
HELD ON NOVEMBER 12, 2009**

Present at the meeting:

Acting Chairman Amy J. Masters
Ms. Maddy Bowling, Employer Representative
Mr. Eric Dean, Employee Representative
Mr. Ronald Powell, Employee Representative

Attending the meeting via conference call:

Mr. Roger Poole, Employee Representative
Dr. Edward Sclamberg, Medical Provider Representative
Mr. John Smolk, Employer Representative

Participating IWCC Advisory Board Members:

Mr. Mark Flannery, Caterpillar Inc.
Mr. David Menchetti, Cullen, Haskins, Nicholson & Menchetti
Mr. Kim Presbrey, IWCC Advisory Board Member

IWCC staff present at the meeting:

Mr. Glen Boyle, Medical Fee Schedule Project Manager
Mrs. Bertha E. Parker, Acting Secretary
Ms. Susan Piha, Manager of Research & Education

Acting Chairman Masters called the meeting to order at 9:10 a.m.

The following documents were distributed to the board: previous meeting minutes; presentations from Ms. Lisa Mackey/Dr. Jesse Butler, Dr. Gary Kronen, and the Illinois Chamber of Commerce Employment Law Council; and comments from medical fee schedule seminar participants.

The minutes from the August 20, 2009 meeting were unanimously approved.

Lisa Mackey, with Illinois Bone & Joint Institute, presented information about utilization review on behalf of Dr. Jesse Butler who was unable to attend. Ms. Mackey indicated that while utilization review can be an effective tool for efficient and cost-effective care, problems exist. They include delays in treatment, out of state physicians and/or physicians in different specialties conducting review, and the inaccessibility of the reviewer. Ms. Sue Piha and Mr. Dave Menchetti pointed out that complaints can be filed with URAC if the reviewer is URAC-certified and also the Department of Insurance. Ms. Maddy Bowling suggested implementing rules to reflect URAC requirements.

Next Dr. Gary Kronen, with Hand and Plastic Surgery Associates, spoke about licensure requirements and accreditation for ambulatory surgical centers. Dr. Kronen discussed difficulties in obtaining a Certificate of Need (CON) for ASTC license through Department of Insurance, and

argued that accreditation from one of three Medicare-recognized organizations (AAAASF, AAAHC and JCAHO) ensures quality of care and patient safety. He indicated other states have eliminated licensing requirements and accepted accreditation. Dr. Kronen presented his 2000-2008 office-based facility data indicating 33% savings from ASC fee schedule. He added moving surgery to an outside surgical center can increase costs 40%. Mr. Menchetti noted concern about patients being balance billed if insurer refuses to pay ASTC charge. Ms. Sue Piha stated this issue occurred when a payer (Corvel) decided in late 2008 not to pay facility charges to those ASTCs which are not listed on Illinois Department of Public Health. Ms. Maddy Bowling noted everyone on the board was not aware of licensure requirements and accreditation.

Mr. Mark Flannery, with Caterpillar, discussed implant charges as outlined in a letter from the Illinois Chamber of Commerce Employment Law Council. Mr. Flannery stated a transparent system should be in place to reflect charges and apply markup to reduce disputes and speed up payments. Ms. Piha noted that pending court cases on this matter may set precedent on implant issues. Mr. Boyle added that the letter should reflect huge markup as another reason for excessive costs.

Mr. Mark Flannery also provided a report about the medical fee schedule's impact on Caterpillar. He noted the company's strong downstate network penetration. Though formerly their work comp contracts grouped workers' compensation with group health, Mr. Flannery indicated providers now ask to split contracts. He also noted physician fees are staying in network, while facility fees are not. He pointed out Caterpillar experienced an initial savings of 2% with new fee schedule, though increased administrative costs including IT and training counter-balanced savings. He asked that administrative costs be considered before new features are implemented.

Ms. Jennifer Tronc from Liberty Mutual reported on increased costs and utilization with Liberty Mutual claims, especially with hospital inpatient. She noted overall costs had decreased 2.2% in 2009 but with a lower claim volume. Due to data being proprietary, exact numbers were not provided. Ms. Piha asked if it was possible to remove negotiated contract info to isolate the effect of the fee schedule. The board also discussed balance billing effect on data that occurred previous to fee schedule implementation.

Chairman Masters informed the board that she and Ms. Piha met with representatives from the Department of Insurance to discuss the complaint process for utilization review and other insurance issues. She noted the conversation was positive and improved communication between departments and to the public is expected. Regular meetings in the future are also planned.

Chairman Masters discussed medical fee seminars managed by Mr. Boyle, noting relevant content, excellent attendance, and positive feedback. Mr. Boyle stated there were hundreds of questions that he and Susan Piha were currently reviewing. Mr. Boyle added major complaints included providers not having any standing under the Act, and payers indicating providers do not understand contracts.

The group discussed 2010 meeting dates including: February 11; May 13; August 12; and November 18. It was determined the dates would be finalized in next week and posted on IWCC web site.

Upon motion, meeting was adjourned at 11:50 a.m.